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CENTRAL INTELLIGENCE GROUP
NEW WAR DEPARTMENT BUILDING
21st and VIRGINIA AVENUE, N. W.
WASHINGTON, D. C.

OFFICE OF THE DIRECTOR

30 July 1946

MEMORANDUM FOR: The Secretary of State
The Secretary of War
The Secretary of the Navy
The Personal Representative
of the President on N.I.A. ✓

SUBJECT: Establishment of a Special Working Fund
for the Central Intelligence Group

REFERENCE: Minutes of N.I.A. 4th Meeting

ENCLOSURE: Draft Letter to the Secretary of the Treasury and the
Comptroller General from the Secretaries of State,
War, and the Navy.

1. At the fourth meeting of the National Intelligence Authority, the Secretary of State undertook to discuss with the Bureau of the Budget the solution of the problems mentioned at that meeting by General Vandenberg. One of these problems was to devise a means whereby any funds made available for C.I.G. activities authorized by N.I.A. will be transferred by the State, War, and Navy Departments to the Director of Central Intelligence, and expended under the supervision of the N.I.A. by him without the cumbersome and duplicative administrative procedures now required.

2. The Secretary of State discussed this matter with the Director of the Bureau of the Budget, and personnel from the Central Intelligence Group subsequently explored the problem in detail with representatives of the Bureau of the Budget, the Treasury Department, and the General Accounting Office. The Bureau of the Budget and the Treasury Department have definitely indicated a willingness to cooperate, and the General Accounting Office has promised to give the matter sympathetic consideration. All three agencies have indicated that the transmittal of the enclosed letter is now in order, and that it will be considered expeditiously.

3. It is therefore recommended that the National Intelligence Authority approve the transmittal of the enclosed letter, and that it be signed by the Cabinet members as indicated therein.

~~RECEIVED SECRET~~
Auth: [Signature]
By: [Signature] NAMS, Date: 8/6/46

HoYT S. Vandenberg
HOYT S. VANDENBERG
Lieutenant General, USA
Director of Central Intelligence

APPROVED FOR RELEASE
DATE: OCT 2006

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30 July 1946

The Honorable
The Secretary of the Treasury
Treasury Department
Washington, D. C.

Attention: Chief, Division of Bookkeeping and Warrants

Sir:

In accordance with the Presidential directive of 22 January 1946, the National Intelligence Authority has, through a series of directives to the Director of Central Intelligence, established over-all policies for foreign intelligence activities related to the national security, and has directed that the Central Intelligence Group engage in certain centralized intelligence activities which are of common interest to the Departments herein concerned. To implement properly the wishes of the President, the National Intelligence Authority has found it necessary to provide the Director of Central Intelligence with administrative and operational facilities which involve expenditure of funds and furnishing of personnel and equipment. These facilities have been supplied in varying proportions by the State Department, War Department, and Navy Department. This threefold method of supply has become so cumbersome as to impair seriously the administration of the Central Intelligence Group, and is becoming an important threat to the security of its operations.

We desire, therefore, under the provisions of Section 214 of the Independent Offices Appropriation Act, 1946, to make available to the Central Intelligence Group, from the appropriations of the three Departments mentioned, amounts authorized by Congress for the support of intelligence activities and such other funds as it is in our discretion to use for this purpose. To administer these funds, it is proposed to establish a special working fund, as provided for in Section 601 of the Act of June 30, 1932 (47 Stat. 417). This fund will be, for record purposes, in the War Department, but, with the approval of the Secretary of War, its administration and fiscal supervision will be solely by officers of the Central Intelligence Group. Upon the establishment of such a working fund, it is proposed, in addition to committing such funds of our respective Departments for administration by the Central Intelligence Group, to delegate to the Director of Central Intelligence or his authorized representatives the necessary authorities for the administration of those funds, for personnel actions, for

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procurement of equipment and supplies, and for the certification of vouchers. We are informed that the Bureau of the Budget is in full accord with the establishment of such a working fund.

We therefore request, on behalf of the Departments we represent and in our capacity as members of the National Intelligence Authority, that you establish such a working fund under the provisions of Section 601 of the Act of June 30, 1932 (47 Stat. 417). All officials of our Departments and of the Central Intelligence Group are prepared to give you complete cooperation.

SECRETARY OF STATE

SECRETARY OF WAR

SECRETARY OF THE NAVY

PERSONAL REPRESENTATIVE OF THE
PRESIDENT ON N.I.A.

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